

Description:

The General Services Division provides several programs for agency-wide support services, policy development, and computer services. Management Support Services includes accounting, purchasing, facilities management, and motor pool management. Other programs in the division include Tax Policy, Human Resources, Information Technology, and Public Information, now called Communications and Outreach. Communications and Outreach handles public and media inquiries, coordinates Commission publications and news releases, manages the agency copy center, and provides forms and web design.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Improve the quality, quantity, and clarity of information the agency provides.

A. Develop a process for reviewing and updating of brochures, educational material, forms, and other correspondence.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

2. Improve customer education and outreach.

A. Develop a centralized outreach program to coordinate agency education efforts for taxpayers and other stakeholders.

Actual Results			
2000	2001	2002	2003
95%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

3. Increase the percentage of data exchanged, processed, and managed electronically.

A. Expand electronic commerce capabilities such as electronic tax filing, electronic mail, electronic payment, information retrieval, and information exchange (EDI).

Actual Results			
2000	2001	2002	2003
55%	65%	75%	85%
Projected Results			
2004	2005	2006	2007
95%	95%	95%	95%

4. Provide a flexible and responsive information technology infrastructure.

A. Update existing systems (CATS) and expand computer and network capability.

Actual Results			
2000	2001	2002	2003
5%	60%	80%	90%
Projected Results			
2004	2005	2006	2007
95%	95%	95%	95%

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5. Provide optimal training for agency staff.
A. Develop an agency training program that meets the needs and enhances the skills of agency staff.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

6. Ensure equity and uniformity of policies and implementation of statutes.
A. Use existing personnel committees to study reward system and make recommendations.

Actual Results			
2000	2001	2002	2003
90%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

Program Results and Effect:

The effect of the General Services program is the efficient use of resources to support the Tax Commission mission.

The Commission continues to propose changes to the legislature to enhance the tax code. To achieve compliance with the tax law, the law must be clear, concise, and perceived as fair. Thorough annual review of the tax code will enhance compliance with the law.

Management Support Services continues to update and improve the fully integrated accounting system first implemented in FY01. This software integrated the budget, expenditure, purchasing, and revenue processing cycles in one integrated commercial off-the-shelf product (Navision). Additional phases have now added fixed assets tracking and perpetual inventory control. A future phase is planned to add an integrated human resources module.

Human Resources developed a supervisory training plan for the 2003 calendar year. Training topics include: Agency policies & procedures, personnel action requests, filling positions, disciplinary process, and the FMLA & donated leave program. Human resources developed and presented to all employees training on "change management" to help employees deal with the many changes created by the use of the new GenTax software. Several managers and supervisors, from the central and field offices, are enrolled and participating in the Certified Public Manager's programs.

Information Technology (IT) is trying to maintain the momentum established with the very successful CATS (Convert All Tax Systems) project. With assistance from FAST Enterprises, the vendor for the GenTax software the agency successfully installed in that project, several improvements were made to the base installation. A "stand-alone" audit module was developed for IFTA (International Fuels Tax Agreement) tax, along with an audit selection process for individual income tax. The stand-alone audit module will permit fuels tax auditors to have up to date information on the taxpayer in the field, perform the audit, and then upload the results to GenTax without re-keying. The individual audit selection capability will replace a third-party software called STAX that was costing the agency \$50,000 annually in software license fees. The flexibility of GenTax and the COTS (commercial off-the-shelf) model it represents, were demonstrated in configuring agency sales and cigarette tax systems for tax rate increases in a very short timeframe. The legislation authorizing these increases passed very late in a very long legislative session, leaving the agency little time to configure the tax systems. Because most program changes can be made in configuration rather than hard coding in COTS software, both tax systems were ready to accept the new tax rates on the effective dates.

Elsewhere in IT, the agency VPN (virtual private network) was expanded and put into full service to allow secure electronic access to agency systems. A wireless project was also started to provide secure electronic broadband access for staff who cannot get DSL or cable broadband service. The Coeur d'Alene field office was connected to IdaNET, the statewide broadband network, and the Lewiston office is expected to be connected in FY04. IT Support stepped up to the challenge of maintaining computers, servers and other hardware that is well past its projected life cycle. Because of budget constraints resulting in virtually no capital replacement the last two fiscal years, many agency PC's are breaking down and requiring repair, and several network servers are too old to be maintained on the support contract with the vendor. Replacement of some of this hardware is crucial in FY05 if the agency is to maintain the productivity it has demonstrated in recent years.

Public Information, now called Communications and Outreach, continued revising and enhancing the Tax Commission's Web site, which earned an Idaho Press Club award for General Excellence for the third consecutive year. The agency also garnered the Best Overall E-File Program" award for 2003 from the National Association of Computerized Tax Processors. Major additions in FY03 included adding pages to the Web site that detailed the effects of a new sales tax rate for both the business community and consumers, as well as explaining new cigarette excise taxes, new cigarette floor stock taxes, and instructions for eligible building contractors to claim refunds as a result of the sales tax change. Additionally, we added a free online tax filing function to our Web site for interstate truckers who are licensed under the International Fuel Tax Agreement (IFTA). We were the first in North America to offer this service. We also

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introduced the Form 40EZ on our Web site, which allowed eligible taxpayers to file Idaho's short income tax form online for free. We expanded and improved the Unclaimed Property section on our Web site, which included allowing taxpayers to search for unclaimed property by city alone and also provided dollar range amounts within the search results. The revised pages also instruct businesses how to report property. We launched a new Employment section on our Web site, and improved our Property Tax pages by debuting online registration for county support training classes, and launched the first interactive survey for U.S. and Canada on ratio study practices. For the first time, we listed locations on our Web site where low-income taxpayers could get free tax preparation and filing assistance.

For more information contact Mark Poppler at 334-7507.

**Rev and Tax - Tax Commission, State
Audit and Collections**

Description:

The Audit and Collections Division provides direct taxpayer service to the public from the administrative office in Boise as well as 5 field office locations; collects delinquent taxes and conducts audits on virtually all tax types administered by the agency, by authority of Idaho Code and the Multi-State Tax Compact; conducts discovery and enforcement efforts directed at no filers; administers Idaho Unclaimed Property statutes.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.

A. Develop a customer information survey.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
0	0	0	0

2. Improve customer education and outreach.

A. Improve taxpayer access to state and federal tax assistance and other government agency registration requirements.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

3. Improve communication and coordination and foster partnerships with agency stakeholders.

A. Take a leadership role in interagency projects that improve dissemination of information to stakeholders or simplify taxpayer registration requirements.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

4. Implement educational audit/compliance reviews.

A. Establish a statewide managed/self-audit program.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

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Audit and Collections

5. Increase timeliness, consistency, and scope of our enforcement efforts.
 - A. Implement procedures and processes that encourage individuals to get back into and remain in compliance.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

6. Improve audit, enforcement, and investigation processes.
 - A. Increase use of technology to improve enforcement efforts.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

- B. Use a post-audit survey to obtain taxpayer feedback to improve audit effectiveness.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

- C. Increase nonresident enforcement through audit/nexus investigations.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

Program Results and Effect:

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FY03 was a difficult year for Audit and Collections Division. The austere budgetary environment forced the division to defer filling personnel vacancies, such that by the end of FY03, the divisional vacancy rate was 15%. Despite much reduced manpower, the division had significant audit and collection recoveries. Much of this made up shortfall was due to two primary factors. First, the increased workload carried by collection employees exceeded the average workloads of neighboring states by 50-100%. Second, the increased productivity produced by integrating and refining the new GenTax software into everyday processes permitted increased automation of routine tasks and better tracking of results.

Taxpayer Services (TPS) improved customer education and outreach through various programs. Examples include developing a new class—Key to Success. The class helps employers understand the regulations and the payroll reporting requirements. The class was developed with the IRS, Department of Labor, Industrial Commission, and Wage and Hour. TPS has made great improvements to the frequently asked questions available on our Web site. Many new ones were added or improved—for instances adding a link to the appropriate code and rule and a link to any form mentioned in the FAQ. The TPS staff recognized during tax drive (January to April 15) that many deployed service men and women were looking on our web site to determine what they needed to do about their taxes. We developed new FAQs providing them relevant information

Taxpayer Services has taken the lead for the Tax Commission in developing an online version of a multi agency form used by prospective small businesses to register with the state. They also were active in establishing an online button on our web site to track the status of individual state income tax refunds.

The managed audit program was reduced in FY03 due to funding. Additionally, vacancies also diminished our work effort, though the total number of managed audits increased by 4 to 391. The managed audit program will be fully funded in FY04. This program continues to produce meaningful returns on investment by selecting niche audits and a low-key “educational” approach to tax compliance.

A number of programs were begun in FY03 that will help taxpayer get back into and remain in compliance with tax laws. One program is the Treasury Offset program, where identified delinquent taxpayers have their Federal income tax refund diverted to the state to pay outstanding balances. Another, in conjunction with the Secretary of State, added more tax lien information to services they already provide to businesses and individuals.

The division provided taxpayer assistance, promoted voluntary compliance and increased use of technology by:

Helped develop a new online Sales and Withholding tax form for our web site.

Expanded the functionality and use of our own database and Federal data tapes for audit selection and non-filer analysis.

Encouraged volunteers to assist low-income taxpayers in conjunction with a program sponsored by AARP.

Streamlined application, reporting, and tracking procedures and processes in Unclaimed Property to better account for and distribute unclaimed property to Idaho taxpayers.

Conveniently manning area Post Offices and outside Boise and outlying field offices (CDA & LEW) as drop off points for state & Federal tax returns.

For more information contact Mark Poppler at 334-7507.

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Revenue Operations

Description:

The Revenue Operations Division provides citizens with opportunities to voluntarily file returns, pay on time, and receive prompt refunds. Services include: postal services providing mailing services for the entire agency, receipting of tax documents and payments, account registration and maintenance, records management, and other tax revenue related services.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Increase the percentage of data exchanged, processed, and managed electronically.
 - A. Expand electronic data capture, storage, and retrieval technologies.

Actual Results			
2000	2001	2002	2003
55%	65%	75%	78%
Projected Results			
2004	2005	2006	2007
82%	82%	82%	82%

Program Results and Effect:

With the implementation of our newest internet filing for Sales/Use Tax and Employer Withholding the division now manages five electronic filing programs for taxpayers who need to file and pay Idaho taxes. The new sales/use and employer withholding systems were built in conjunction with the statewide portal provider - Access Idaho. The Commission also has an International Fuels Tax Agreement (IFTA) internet application also provided by Access Idaho. By far our most used electronic filing program is our individual income tax system. During the 2003 filing season some 211,400 taxpayers filed electronically. This is a 36% increase over the previous year. One in three taxpayers now files an electronic income tax return. During FY 2004 we anticipate this program to continue to grow as Idaho joins the IRS and other states in the Free Filing Alliance. This partnership will offer some 200,000 taxpayer who now file by paper the opportunity to file an electronic return free of charge.

For more information contact Mark Poppler at 334-7507.

Description:

County Support provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable and accurate property taxation. Services include education in property tax assessment administration and appraisal, property appraisal research, forest land and forest products' appraisal, day-to-day support to county elected officials, ratio study review and recommendations, operating property appraisal, and budget and levy review and approval.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.

- A. Consult with the Assessor's Education Committee, the Examination Committee, and the Idaho Association of Assessment Personnel to develop and provide education, training, and certification programs that meet county and state needs.

Actual Results			
2000	2001	2002	2003
100%	100%	100%	100%
Projected Results			
2004	2005	2006	2007
100%	100%	100%	100%

2. Provide a flexible and responsive information technology structure.

- A. Expand the Geographical information System.

Actual Results			
2000	2001	2002	2003
66%	75%	85%	95%
Projected Results			
2004	2005	2006	2007
99%	99%	99%	99%

Program Results and Effect:

The primary goal of the Division is to ensure that all property owners receive equal application of the Idaho property tax laws and that these laws are administered as efficiently and effectively as possible.

The County Support Division in FY03 continued to monitor the administration of property tax law in Idaho to ensure that the property tax burden of all taxpayers is fair and equitable. We conduct an annual ratio study to ensure that each jurisdiction is estimating property values at the current market level so that all taxpayers bear an equitable burden under the law. The Division appraised operating properties and utilities that may be located in multiple jurisdictions (Centrally Assessed Properties).

The Division continues to provide quality training for the counties with annual summer and winter schools. During FY02, the education program continued to provide several more regional offerings for the counties. Additional appraisal seminars and workshops were presented for the benefit of assessors and their staff by the Division's consulting appraiser team. Participation in educational activities exceeded 1,200 enrolled students in FY03.

Expansion of the Geographical Information System continues. Through 2002, the division had helped 34 counties in their computer mapping programs. At the end of FY03, the number of counties currently being assisted is 37.

For more information contact Mark Poppler at 334-7507.